

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2001-84-C - ORDER NO. 2001-577

JUNE 18, 2001

IN RE: Application of Metropolitan) ORDER GRANTING
Telecommunications of South Carolina, Inc.,) CERTIFICATE FOR
d/b/a MetTel for a Certificate of Public) LOCAL AND
Convenience and Necessity to Provide Local) INTEREXCHANGE
Exchange and Interexchange) AUTHORITY AND FOR
Telecommunications Services in the State of) ALTERNATIVE AND
South Carolina and for Alternative and) FLEXIBLE REGULATION
Flexible Regulation.)

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Metropolitan Telecommunications of South Carolina, Inc., d/b/a MetTel ("MetTel" or the "Company") for authority to provide local exchange and intrastate interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its business interexchange services offerings under the identical regulatory treatment granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Company's Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2000) and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed MetTel to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on April 23, 2001.

On May 11, 2001, counsel for SCTC filed with the Commission a Stipulation in which MetTel stipulated that it would seek authority only in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until MetTel provided written notice of its intent prior to the date of the intended service. The Company also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. MetTel agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on May 23, 2001, at 2:30 p.m. in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. MetTel was

represented by John F. Beach, Esquire. Adelaide D. Kline, Staff Counsel, represented the Commission Staff. Matt Svigals, Director of Operations for MetTel, appeared and testified in support of the Application. William P. Blume, Manager, Commission Audit Staff, and David S. Lacoste, Engineer in Telecommunications, testified on behalf of the Commission Staff.

According to the record, MetTel is a Delaware corporation formed on August 8, 2000, and a wholly-owned subsidiary of Manhattan Telecommunications Corporation. MetTel has received authority from the South Carolina Secretary of State to transact business within the State of South Carolina. MetTel's corporate headquarters are located in New York, New York. Mr. Svigals said MetTel is certified to offer services in twenty-one states and is currently providing services in New York and Pennsylvania. He testified that MetTel started operations first in New York State and has now grown to 174 employees, 65,000 customers and approximately 77,000 lines. He said the Company offers services to business, government and residential customers. In providing services in South Carolina, MetTel intends to provide local resale and facilities-based local exchange services, as well as interexchange (intraLATA and interLATA) services. Specifically, MetTel intends to offer enhanced network services, Internet services, local exchange services, long distance services, switched access services, special access services, private line services, and integration services. MetTel intends to launch service by reselling the services of the incumbent local exchange carriers (ILECs) and purchasing unbundled network elements (UNEs) from the ILECs. The record reveals that MetTel will purchase the UNE Platform or (UNE-P). The UNEs MetTel intends to purchase

include Dark Fiber, High-Capacity Loops, Asymmetrical Digital Subscriber Line (ADSL), Generic Digital Subscriber Line (xDSL), Loops and subloop components, and UNE combinations. In addition, MetTel asked this Commission for approval of alternative regulation of its business services as was first approved by the Commission in Docket No. 95-661-C, and flexible regulation for local exchange services first approved in Docket with other resold services provided by incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), or interexchange carriers (IXCs). Mr. Svigals testified that MetTel has executed an interconnection agreement with BellSouth Telecommunications, Inc. for the State of South Carolina, as well as the entire nine-state BellSouth region. He further testified that MetTel will utilize Global Crossing and AT&T as its underlying carriers.

Mr. Svigals opined that MetTel possesses the financial, technical, and managerial resources to provide telecommunications services in the State of South Carolina. As to MetTel's managerial abilities to provide the service in South Carolina which it seeks to provide, Mr. Svigals said that MetTel has assembled a management team with extensive telecommunications and business experience. He said the senior management team is highly skilled with considerable experience in the telecommunications industry. He said the Company will seek to recruit and retain additional technical, operational and sales personnel with experience in the local exchange and long distance businesses. Mr. Svigals testified that the Company has Co-Chief Operating Officers: Marshall Aronow and Andoni Economou. Mr. Aronow holds a bachelor's degree from Hunter College and Mr. Economou holds a bachelor's degree from Fordham University and a law degree

from Rutgers University Law School. David Aronow, Co-President, holds a bachelor's degree from Hunter College and a law degree from New York Law School.

With regard to MetTel's financial ability to operate as a telecommunications carrier, Mr. Svigals states that MetTel has access to the financing and capital necessary to conduct its telecommunications operations in South Carolina. Mr. Svigals testified and the record reveals that MetTel has \$4.3 million remaining cash in its credit line and also has other financial resources, if needed, from its investors. He said the Company had positive earnings as of March 2000 and expects slow, conservative growth.

As to the Company's customer service, the record reveals that MetTel will offer comprehensive customer service on a twenty-four hour a day, seven day a week basis. The toll-free telephone number is 1 (877) 638-8351. Services will be billed monthly by MetTel at the rates specified in its tariff. Mr. Svigals said the billing would be handled on an in-house basis. Bills will include the Company's name and address and a toll-free number for inquiries or complaints. Customers wishing to switch to MetTel for services will be required to sign a letter of authorization. Mr. Svigals offered that MetTel additionally sometimes uses a combination of a letter of authorization plus third party verification, sometimes using the callback process for third party verification. Laurie Lunenburg is the customer service contact person at MetTel.

Mr. Svigals asserts that MetTel will operate in compliance with all applicable statutes, regulations, and Commission orders. Further, Mr. Svigals assured the Commission that MetTel's service will meet applicable service standards and that MetTel will support universally available telephone service at affordable prices. Further, Mr.

Svigals offered that approval of MetTel's Application serves the public interest by increasing telecommunications competition in South Carolina thereby bringing about lower rates, improved quality of service, and enhanced services. Moreover, the presence of MetTel in the market will increase incentives for the ILEC's to reduce their prices, offer more innovative services, and improve their quality of service thereby benefiting all consumers in South Carolina. Mr. Svigals also offered that approval of MetTel's Application would not adversely impact the availability of affordable local service because approval of the Application should enhance competition in South Carolina which, in turn, should increase downward pressures on rates as well as enhance product and service quality and diversity.

Mr. Svigals stated he was familiar with Commission Staff witness David Lacoste's testimony and confirmed that the Company would be willing to make all of Mr. Lacoste's suggested changes to its final tariff. In addition, Mr. Svigals agreed to add the email address and telephone number to each tariff page. Mr. Svigals testified that Irina Avagyan will be the Company's regulatory contact person.

Finally, Mr. Svigals discussed MetTel's requests for certain waivers of Commission regulations and for relaxed regulatory treatment. MetTel requests that the Commission regulate its interexchange business services, consumer card, and operator service offerings in accordance with the principles and procedures established by Order Nos. 95-1734 and 96-55 in Docket No. 1995-661-C. In addition, the Company requests that the Commission regulate its local exchange telecommunications services under the flexible regulatory treatment approved by Order No. 1998-165 in Docket No. 1997-467-

C. MetTel asks that it be exempt from any rules or regulations that would require it to keep its financial records in conformance with the Uniform System of Accounts. MetTel seeks to maintain its books of accounts in accordance with the Generally Accepted Accounting Principles (GAAP). Additionally, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 & Supp. 2000) so that it will not be required to publish local exchange directories. MetTel will contract with at least one incumbent local exchange carrier for the inclusion of MetTel's CLEC data base into the master customer data base of the local exchange carrier. The Company also seeks waiver of 26 S.C. Code Ann. Regs. 103-610 (1976 & Supp. 2000) so that MetTel can maintain its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters in New York, New York. MetTel also requested that it not be subjected to various reporting requirements.

Mr. Blume testified as to his findings of the Audit Department's review of MetTel's financial statements that were submitted as part of the Company's Application. He stated he reviewed financial statements dated December 31, 2000, which showed a net loss for the period ending December 31, 2000. He said the balance sheet indicated that cash made up 3.76% of the Company's total assets as of December 31, 2000, and the current ratio reflected was .50, which means there were not enough current assets to meet all of the current liabilities at the date of the balance sheet. Further, Mr. Blume said retained earnings were negative, due to prior losses, and that stockholders' equity was negative. Mr. Blume testified that the Company had long-term debt as of the date of the balance sheet. He stated that the financial statements filed with the Application indicate

that MetTel is liquid but the retained earnings are negative. He said in order for the Company to be able to continue to operate, it will have to have a source for working capital, such as profits, long term debt or additional paid in capital by the owners.

Mr. Lacoste presented testimony to the Commission on the findings of the Utilities Department with respect to MetTel's Application for a Certificate of Public Convenience and Necessity. According to Mr. Lacoste, MetTel seeks authority to provide facilities-based local and interexchange telecommunications services within South Carolina. Mr. Lacoste testified that MetTel seeks to have its local telecommunications services regulated in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. Also MetTel requests that the Commission regulate MetTel's long distance business service offerings, including consumer card and operator service offerings in accordance with the principles and procedures established by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Mr. Lacoste stated that the Staff did not oppose waiver of the application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2000) concerning the publication of local directories or waiver of application of 26 S.C. Code Ann. Regs. 103-610 (1976) which requires that all records be kept within the State of South Carolina, or the grant of permission to maintain books and records in conformance with Generally Accepted Accounting Principles (GAAP) rather than the Uniform System of Accounts (USOA). He also stated that the Commission Staff does not feel that the Commission should grant the Company's request that it not be subjected to various reporting requirements. Commission Staff feels that the Company should be required to file annual financial

reports and quarterly local service quality reports (S.C. Code Regs. 103-618 and 619 (1976 and Supp. 2000)).

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. MetTel is a privately held corporation duly organized and existing under the laws of the State of Delaware and is authorized to do business in the State of South Carolina by the Secretary of State.

2. MetTel is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.

3. MetTel has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2000).

4. The Commission finds that MetTel's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2000).

5. The Commission finds that MetTel will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2000).

6. The Commission finds that MetTel will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 2000).

7. The Commission finds that the provision of local exchange service by MetTel “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2000).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to MetTel to provide competitive resold and facilities-based intrastate local exchange services only to customers located in the non-rural areas of the state. The terms of the Stipulation between MetTel and SCTC are approved, and adopted as a part of this Order. Therefore, any proposal to provide local telecommunications service to rural service areas is subject to the terms of the Stipulation. In addition, MetTel is granted authority to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. MetTel shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. MetTel’s local

telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for MetTel's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, MetTel's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of MetTel which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Under the Commission approved alternative regulation, the business service offerings of MetTel, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the

seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to MetTel also.

4. With regard to the residential interexchange service offerings of MetTel, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. With regard to residential interexchange service rates, MetTel shall not adjust its residential interexchange service rates below the approved maximum level without notice to the Commission and to the public. MetTel shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2000).

6. If it has not already done so by the date of issuance of this Order, MetTel shall file its revised long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs MetTel to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, MetTel shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

8. MetTel is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's resale interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. MetTel shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If MetTel changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, MetTel shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

12. MetTel shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, MetTel shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the

Commission's website at www.psc.state.sc.us/forms/default.htm. The two page form the Company shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunications companies requires the filing of intrastate revenues and intrastate expenses.

13. In addition, MetTel is required to file annual report information for competitive local exchange carriers. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages. Additionally, MetTel shall file with the Commission a quarterly report entitled "CLEC Service Quality Quarterly Report." The proper form for this report is found on the Commission's website at www.psc.state.sc.us/forms/default.htm.

14. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

MetTel shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can

be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. MetTel shall also file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2000).

15. MetTel shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

16. By its Application, MetTel requested a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2000). In lieu of publishing local directories, MetTel informs the Commission that it will contract with the incumbent LECs to provide MetTel's customers with directory listings, as well as to undertake the distribution of directories. The Commission finds MetTel's request reasonable and grants the requested waiver of the application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2000). Further, MetTel is granted a waiver of 26 S.C. Regs. 103-610 (1976 and Supp. 2000) requiring the Company to maintain its financial books and records within the State of South Carolina. MetTel is hereby granted permission to maintain its financial books and records at its principal headquarters in New York, New York. Additionally, MetTel requested that it not be subjected to various reporting requirements. The Commission feels that the Company should be required to file annual financial reports and quarterly local service quality reports (S.C. Code Ann. Regs. 103-618 and 619 (1976 and Supp. 2000)). Further,

the Commission acknowledges that MetTel will maintain its financial books and records in conformance with GAAP. MetTel is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2001-84-C

Re: Application of Metropolitan Telecommunications of)
South Carolina, Inc. d/b/a MetTel for a Certificate of)
Public Convenience and Necessity to Provide Local)
Exchange Telecommunications Services in the State)
of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Metropolitan Telecommunications of South Carolina, Inc. d/b/a MetTel ("MetTel") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose MetTel's Application. SCTC and MetTel stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to MetTel, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. MetTel stipulates and agrees that any Certificate which may be granted will authorize MetTel to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. MetTel stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. MetTel stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until MetTel provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, MetTel acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. MetTel stipulates and agrees that, if MetTel gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then MetTel will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. MetTel acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

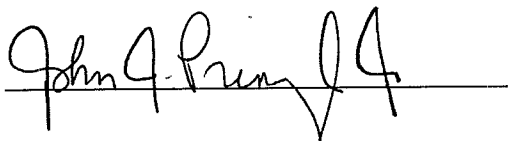
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and MetTel, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. MetTel agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

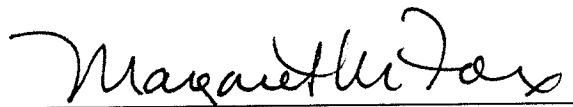
9. MetTel hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 10th day of May,
2001.

Metropolitan Telecommunications of
South Carolina, Inc. d/b/a MetTel:

A handwritten signature in dark ink, appearing to read "John Q. Priddy", written over a horizontal line.

South Carolina Telephone Coalition:

A handwritten signature in dark ink, appearing to read "Margaret M. Fox", written over a horizontal line.

M. JOHN BOWEN, JR.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

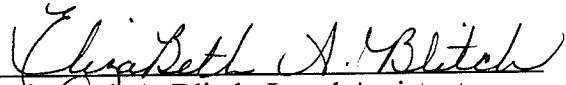
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Public Convenience and Necessity to Provide Local)
Exchange Telecommunications Services in the State)
of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John J. Pringle, Esquire
Beach Law Firm
Post Office Box 11547
Columbia, South Carolina 29211-1547.


ElizaBeth A. Blich, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

May 11, 2001

Columbia, South Carolina